emami limited

Date: 30th September, 2021

The Secretary
The National Stock Exchange of India Ltd.
Exchange Plaza, Plot No. C/1, G. Block
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051
Scrip Code: EMAMILTD

The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001
Scrip Code: 531162

Sub: Chairman's Speech at the 38th Annual General Meeting

Dear Sirs,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a copy of the Chairman's Speech along with the Presentation displayed during the 38th Annual General Meeting held on 29th September, 2021 through video conferencing & other audio visual means.

This is for your information and records.

Thanking You,
Yours Sincerely,

For Emami Limited

A. K. Joshi
Company Secretary & VP-Legal

Encl. as above

CHAIRMAN'S SPEECH

38th Annual General Meeting

Held on 29th September, 2021 through Video Conferencing / OAVM

Respected Board Members and our dear Shareholders,

It gives me immense pleasure to welcome you all, to the 38th Annual General Meeting of your Company - Emami Ltd.

Our lives have changed somewhat since the last one & half years. We miss meeting you in person at the AGM like before. The pandemic protocol makes it necessary to once again hold our AGM virtually to meet our dear Emami shareholder family over video conferencing. We do hope that all is well with you and your families.

I would like to welcome our diverse board and thank them for gracing our AGM. Shri P. K. Khaitan, Independent Director, could not attend the meeting due to some unavoidable circumstances. I would also like to inform you that Ms. Rama Bijapurkar, one of our highly coveted Independent Directors has stepped down from the Board of the Company with effect from 2nd of August, 2021 due to changes she seeks to make in her portfolio of professional work and time. We thank her for her immense contribution towards the growth of the Company in the last seven years and wish Ms. Bijapurkar, the very best for the future.

As we all know, India along with the rest of the world has been passing through one of the most volatile periods under the sudden and unprecedented impact of the coronavirus pandemic. Suspension of economic activities due to lockdowns and the mounting pressure of health emergencies on the common

man severely impacted the economic growth of the country. From June 2020 onwards, as we entered the unlocking phase, economic recovery gradually started to come back thus validating India's long term consumption potential.

For Emami, the first quarter of last year turned out to be unprecedented for its uncertainty from lengthy lockdowns, pandemic scare and sliding consumer sentiment. It was the kind of quarter that threw up multiple challenges in terms of innovation, manufacturing, logistics, choice of distribution and marketing channels etc. But your Company responded to the situation with a certain agility, collaborated its strengths effectively, built upon its abilities and transformed the challenges to a successful growth.

EMAMI'S PEOPLE CENTRIC APPROACH AMIDST COVID PANDEMIC

This successful transformation of your Company feels all the more better when we realize that it has been achieved after keeping the health concerns of our employees as one of our topmost priorities. Business is important to us, but what is more important to our journey - are our human assets, our employees.

Since March 2020, a major portion of our workforce has been encouraged to work from home with very minimal need-based attendance in office, adhering to the government guidelines. The emergency situation calling for a prompt business continuity plan was met with agility, strong technology back-up and quick decision making. Today, it gives me immense pride to say that we as an organization faced this new normal with a lot of determination, passion and nimbleness not just to maintain the status quo but to accelerate and excel. With almost 17 months behind us, we as an organization, have been continuing our growth story with a hybrid model having the flexibility of working from home and office depending on the operational demand.

The second wave of the pandemic in India was brutal and had a devastating effect on each and every individual either directly or indirectly. We also lost few of our colleagues while some lost their near and dear ones. We took every possible measure to stand by each and every member of the Emami family in this hour of personal crisis to the best of our abilities. Your Company adopted a multi-pronged response approach towards employee health benefit with primary focus on mass vaccination drive for our employees and their immediate family members across locations. To support our employees and their families at the peak of the second wave of Covid-19 pandemic in the country, your Company extended Covid related medical support through strategic corporate tie-ups with credible healthcare service providers. A Covid Management Task Force with senior members of our management was immediately set up with designated mandate for providing guidance in execution of various planned activities to support employees during this time of distress. Your Company's Human Resource Department also ensured that the mental fatigue that employees might have experienced, during the pandemic with lack of normal social interaction was kept minimal as much as possible, by constantly engaging with them on various learning opportunities to promote self-growth and conduct various mental and physical wellness programs.

CHARTERING A GROWTH STORY

Even as we were addressing the unprecedented reality of the pandemic on the one hand, Emami was engaged simultaneously in restructuring its business on the other. In face of a challenging environment, your Company continued to strengthen its sectorial position through strategic brand investments, timely innovations, targeted distribution and technology enhancement.

Your Company achieved this growth path by virtue of its positive outlook and aggressive stance instead of playing it safe. In FY 20-21, notwithstanding the pandemic led roadblocks, your Company went ahead to launch multiple products, infact more than 40 in the domestic market, some truly category defining innovations contributing around 4% to the overall revenue.

While some of the new launches delivered encouraging performances, all the Power Brands of Emami continued to successfully retain their market leadership positions and additionally acquired new consumers. Your Company continued to stay invested in positioning, relaunches and extensions of the Power Brands amidst a weak consumer sentiment with the conviction of it being the best time to capture attention.

Your Company had been engaged in addressing diverse challenges in the last few years that found collective expression during the first half of the last financial year. These challenges were related to sales and distribution on the one hand and growth of brands like Kesh King, Fair and Handsome and Zandu Pancharishta on the other hand.

Your Company relaunched Kesh King with a special comb applicator coupled with a new formulation and communication. The shampoo was relaunched around new packaging in line with the category to enhance shelf-space visibility. The brand was marketed directly to consumers with a lower dependence on the wholesaler channel. Kesh King recorded strong growth of 15% in 2020-21 and is widely acknowledged as yet another Emami acquisition-cum-marketing success story.

Your Company's leading male grooming brand, Fair and Handsome had not performed well in FY20 due to liquidity crunch, lower disposable incomes and

increased preference for facial hair moderating surface application area for the consumers. We undertook corrective actions and relaunched the brand in the third quarter of FY21 around a new re-positioning strategy comprising revamped formulation, packaging and communication. The products were renamed as Fair and Handsome Radiance Cream and Fair and Handsome Instant Radiance Face Wash and a new differentiated packaging design was introduced for Fair and Handsome Facewash in line with Men's Face Wash category codes. The result is that post relaunch, the brand reported attractive growth of 18% in the second half of FY21.

Your Company revisited its existing strategy for Zandu Pancharishta and launched a new communication with superstar Amitabh Bachchan highlighting its digestive impact by working from the roots. We altered the packaging from glass to functionally safer PET bottles, strengthening offtake. The new positioning worked its magic with the brand growing by 18% in 2020-21.

BROAD BASING PRESENCE

In the distribution front, your Company decided to have a strong omni-channel presence beyond wholesale with a focused growth in direct retail reach, modern trade, e-commerce and D2C (Direct to Consumer) channels. Our direct reach increased to 9.4 lac outlets with the rural coverage strengthened through van operations. Contribution from Modern Trade revenues doubled to 8% in four years while e-commerce contribution increased to nearly 3%, a three-fold jump since the last financial year.

You will be delighted to know that within a very short span of its launch, our exclusive D2C e-commerce platform Zanducare has successfully garnered almost one crore unique visitors. We are happy that Zanducare has been ranked

as the No. 1 portal in India in the health and alternative health and remedy category by Similarweb. Apart from offering healthcare products to the consumers, the portal also provides Free Doctor consultation facility to the consumers.

Last year, we improved the offtake of Zandu Healthcare by 45%, a major contribution of which has come from the D2C portal. This encouraging response has strengthened our resolve to stay aggressive about this new distribution model and keep on launching many more exclusive products on this platform to ensure direct consumer benefit.

Further, to augment the current distribution strength, your company outlined a clear strategy to drive growth aggressively in the rural market. Digitalization of Rural Salesforce with launch of Rural SFA was completed successfully during the year, enabling the Rural sales team to capture all market orders digitally & manage sub stockiest inventories.

INTERNATIONAL BUSINESS GROWTH

Like every other FMCG Company, our international business also faced major disruption with the outbreak of the global pandemic. But Emami has taken some strategic measures like introducing hygiene range, launching entire oil range in Bangladesh including Navratna, 7 Oils in One and Kesh King and extending the international brand Creme 21 into skin care (for all ages), graduating it into a multi-category platform and widening its ASEAN footprint.

Besides, the Company localised the supply chain through own manufacturing in Bangladesh and contract manufacturing in Germany, Sri Lanka and Dubai. You

would feel happy to note that the Company's international revenue grew 12% by value over 2019-20 driven by strong performance across key markets.

Further, the strategy of identifying & tapping opportunities in markets that has high oil usage with introduction of brands such as Kesh King & 7 Oils in One, paid off well in those International markets. During the year, 7 Oils in One became one of the largest selling brands in the International markets after the Company launched 7 new variants under the brand and initiated a media campaign with a Bangladesh based celebrity, Ms. Bidya Sinha popularly known as Mim. As a result, Emami 7 Oils in One has become another power brand in the Company's international portfolio of brands.

In the current year, we are deeply committed to drive these efforts with resilience and agility both in domestic and international sphere in response to all macroeconomic challenges and deliver an equally good performance or better.

MEDIA

During the year, your company roped in Bollywood superstar Salman Khan to endorse Navratna and Fair and Handsome. The new commercials with Salman Khan generated good consumer traction for the brand. Your company also roped in Indian cricketer Shikhar Dhawan to endorse EMASOL range of home hygiene products and Bollywood stars Juhi Chawla and Ayushmann Khurrana to endorse BoroPlus range of hygiene products.

PROFITABILITY

While revenues at Rs. 2881 Cr. grew by 8%, your Company significantly improved its profitability and margins during the year due to benign raw material costs in the first half of financial year and strict cost controls. We strengthened process efficiency through a cost saving project called WoW (War on Waste) across functions like media, raw material procurement, production, packaging and supply chain.

In FY21, Gross Margins at 67.7% grew by 70 basis points. EBIDTA at Rs. 883 crore, grew by 28% and EBIDTA margins which are at an all-time high of 30.7% grew by 470 basis points. Profit after Tax at Rs. 455 crore grew by 50% with margins at 15.8% increasing by 440 basis points and Cash Profits at Rs. 822 crore also grew by 29% with margins at 28.5% increasing by 440 basis points.

I feel very proud to inform you that your Company finished the year 2021 with 6 times higher net cash at Rs. 357 crore on its books despite rewarding shareholders with dividends amounting to Rs 356 crore and a share buyback worth Rs 221 crore.

SHAREHOLDER WEALTH APPRECIATION

As you are aware that we at Emami, have always given prime importance to the interests of our valued shareholders and worked towards it constantly and continuously over the years. As a result, an initial shareholder who invested Rs.1000 for 100 shares of Emami and thereafter invested Rs. 4000 in the Rights Issue, would presently own shares worth around Rs. 9.8 crores – in other words, initial investment attracted a return of 24,570 times over years. Shareholder's wealth also increased by 50 times following the public issue in March 2005 and

by 11 times following the QIP in July, 2009. In more recent times, Emami's share price since April 2020, has grown by more than 3 times enhancing shareholder wealth.

ESG INITIATIVES

Apart from business, your Company also made significant contributions to the society through its sustainability and community efforts.

As a sustainable manufacturer, Emami Ltd, took definitive measures to instill processes that moderate consumption of energy and natural resources on one hand and restricting carbon footprint on the other. In the year 2020-21, your Company has successfully increased the usage of renewable energy to 8% of total energy consumption in comparison to 2% in 2019-20. Your company also reduced its specific energy consumption vis-à-vis production by 7% compared to 2019-20.

Your Company modified manufacturing processes to recycle 70% of water during the year 2020-21. By reusing of ETP- treated water for gardening and toilet usages, the Company has successfully turned its factories into zero-discharge units. Your company also reduced its specific water consumption vis-à-vis production by 8% and effluent generation by 13% compared to 2019-20.

Emami is also committed towards maximum optimization of packaging material and prudent plastic waste management. Around 80% of the Company's packaging suppliers are localized thus reducing scope of transportation, fuel consumption and emissions. During the year, your Company reduced the

consumption of 110 tons of plastics and 145 tons of paper through adopting superior design elements in packaging.

Under community development, your Company has undertaken CSR initiatives like Padho India Padho, Badhte Kadam, Padhenge Hum Padhane Ke Liye, Janakalyan, Swasthya, Swachhata and Sukanya in a systematic way to deliver long term sustainable benefits to the society across education, health and sanitation, backward society development, hunger eradication, animal welfare, environmental protection and promotion of traditional arts and culture.

During the Covid-19 pandemic, Emami's CSR wing set up a helpline during the lockdown for 75+ years' old senior citizens to access doorstep delivery of essential items, supported 1500 people in villages of Masat & Dongari area, provided infrastructure support to two hospitals in Kolkata and sanitized more than 20 Emami Foundation supported schools in post lockdown period. An innovative Telehealth service was also initiated in West Bengal, by using mobile and communication technologies, for zero contact prevention, diagnosis and treatment of various diseases. Your Company also provided E- Learning / online education services for After-School Support Program in Kolkata and Haripal along with financial assistance to underprivileged students for internet connection and smartphones required for online education.

As a recognition to this, your Company received the Star of the Year Award for the second year in a row at Tefla's Think CSR 2020 Forum for the highest standard of CSR activities done during the COVID 19 pandemic.

Emami also renovated the heritage property of 48B Muktaram Babu Street to restore its former architectural splendour. Located in northern parts of Kolkata, it was from a rented space in this building that Shri RS Agarwal and I started our dream called Emami in the early 70s. Thus, 48B holds a very special space in our

hearts. The restored heritage property is now being used to carry out our Group's CSR activities.

NEW YEAR, NEW INITIATIVES

Having said that, now I would like to inform you that in the first quarter of the current financial year, your Company continued to face market challenges due to second wave of COVID pandemic from mid-April onwards leading to local lockdowns and restrictions in various states which severely affected both urban and rural regions.

Despite the challenging environment, your Company was able to post one of its most profitable performances during the quarter with an overall revenue growth of 37%. While EBIDTA grew by 38% with EBIDTA margin expansion by 20 basis points, PAT grew by 97% with PAT margins increasing by 350 basis points.

During the quarter, the company also increased its stake in Helios Lifestyle (The Man Company), which is in line with Emami's focus on strategic investments in start-ups to incubate new engines of growth.

In the current financial year, your Company has embarked on various distribution initiatives to drive further growth.

We embarked on a focused rural expansion drive under Project Khoj through expansion of rural footprint in the top 4 potential rural contributing States in FY22.

We have also created a separate structure and activation programs for Standalone Modern Trade stores and Chemist outlets.

Further, we are leveraging the e-commerce channel and building advance analytical capabilities.

ACKNOWLEDGEMENT

I would like to take this opportunity to thank the Independent Directors on our Board, who enrich the organization with their diverse industry experience and rich knowledge in Business Strategy, Financial Planning, Banking, Corporate & Commercial Laws, Operations, IT, Marketing & Brand Development etc. They have played a major role not only in setting a strong foothold of corporate governance in the organization, but also add value with their collective wisdom. Emami has benefited immensely from these industry stalwarts and is proud to be associated with them over the years.

I would also like to take this opportunity to repose my faith in the second-generation promoters, who have well ingrained themselves in the Company's operations to charter the future growth of the organization. With their deep understanding of the values, business strategy, culture and heritage of Emami, they bring innovative solutions and competence that will lead your Company to greater heights.

The second-generation Promoters are ably assisted by a team of senior executives and other staff members with appropriate academic backgrounds and wide industry experience. The blend of enterprising spirit and risk taking ability of the Promoter Directors who are professionals in their own right and ably aided with the diversity of thinking of these professional executives with their in-depth industry experience has made Emami the powerhouse it is today. I am proud of them to be a part of the extended family of Emami.

In the coming days, Emami will continuously keep pushing the frontier, keep exploring new categories and territories, keep launching new and innovative products, keep revisiting existing brands' positioning with evolving market landscape and keep scouting for acquisitions and investments in new-age businesses including start-ups.

We are grateful to all our stakeholders for their unstinted support and expect to continue enhancing value in the long term, as we enter newer phases of growth by virtue of our strong foundation and forward looking vision.

AgAbILITY

HOW EMAMI INTEGRATED ABILITY AND AGILITY TO OUTPERFORM IN A CHALLENGING YEAR

emami limited

Making people healthy & beautiful, naturally

38th Annual General Meeting

29th September 2021

Navigated difficult environment with Agility



Challenging Q1FY20 due to lengthy lockdowns and sliding consumer sentiment

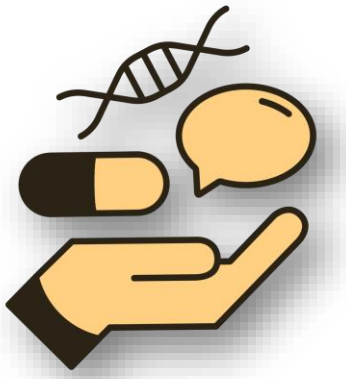


Gradual recovery of economic activity since June'20



Response to the situation was met with Agility

People Centric Approach



Primary concern of health and safety of employees and business partners



Hybrid model having the flexibility of working from home and office



COVID Management Task Force set up. Extended COVID medical support to employees



Organized vaccination drive for employees and their family members



Constant engagement with employees with wellness programs

Chartering a growth story





40+

Domestic New launches in FY21

4%

Contribution to Domestic Business in FY21

Transforming key brands with continuous efforts



15% Growth in FY21



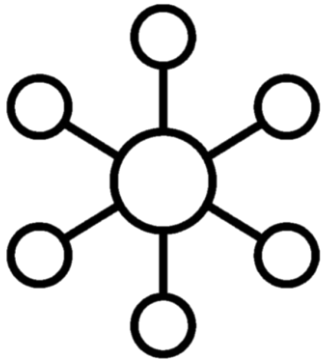
18% Growth in H2FY21



18% Growth in FY21

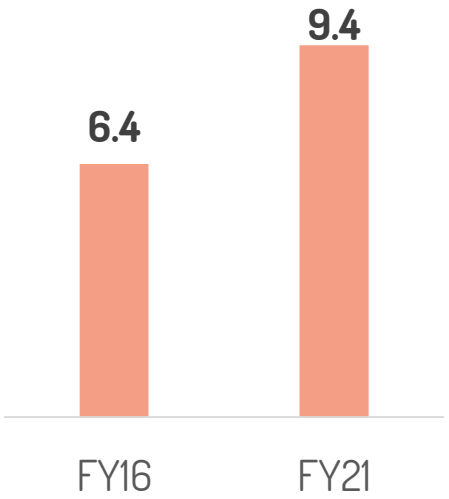
Strengthening Distribution

Omni Channel Presence



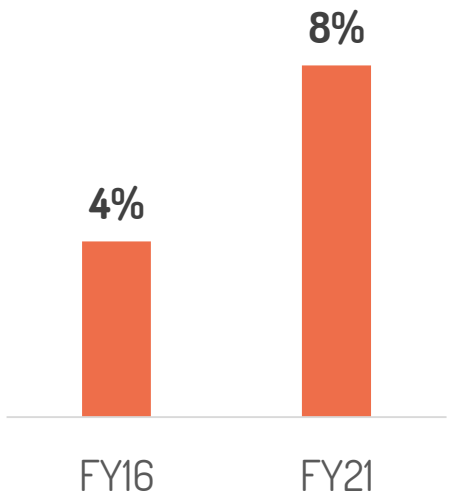
Increase in Direct Reach

(outlets in lac)



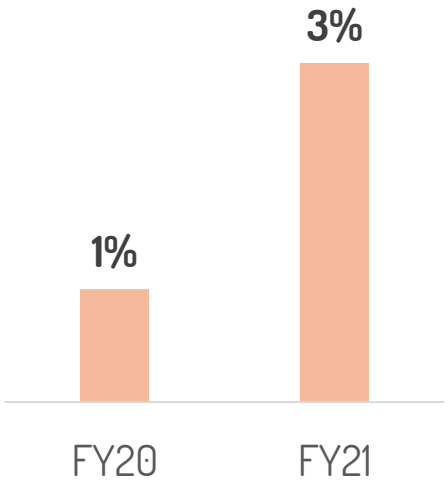
Modern Trade Contribution

(Domestic Business)



E-commerce Contribution

(Domestic Business)



Zanducare – D2C Portal

#1

portal in India* in the health and alternative health and remedy category

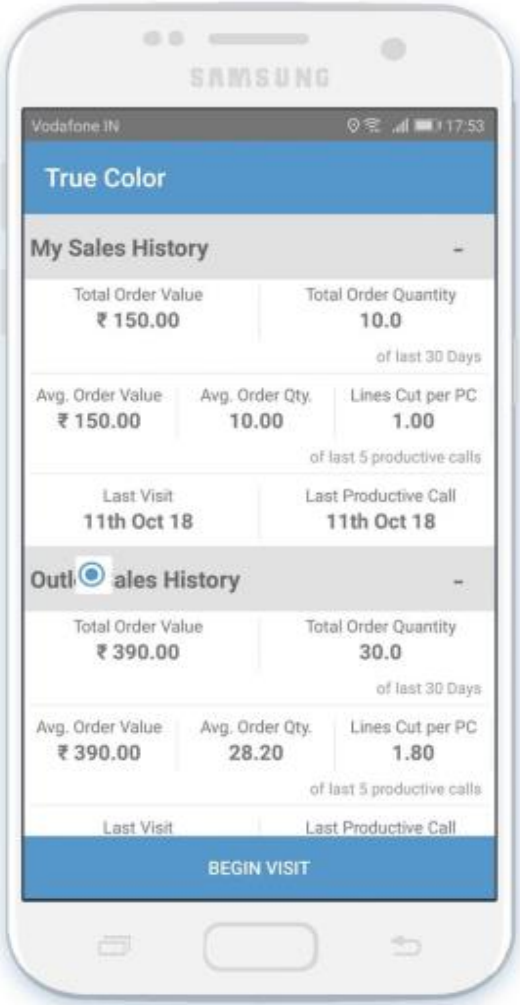




Free Vaidya consultation

*Source: Similarweb

Digitalization of rural distribution



- Clear strategy to drive growth aggressively in the rural market
- Launch of Rural SFA completed in FY21
- Captures all market orders digitally & manage sub stockiest inventories

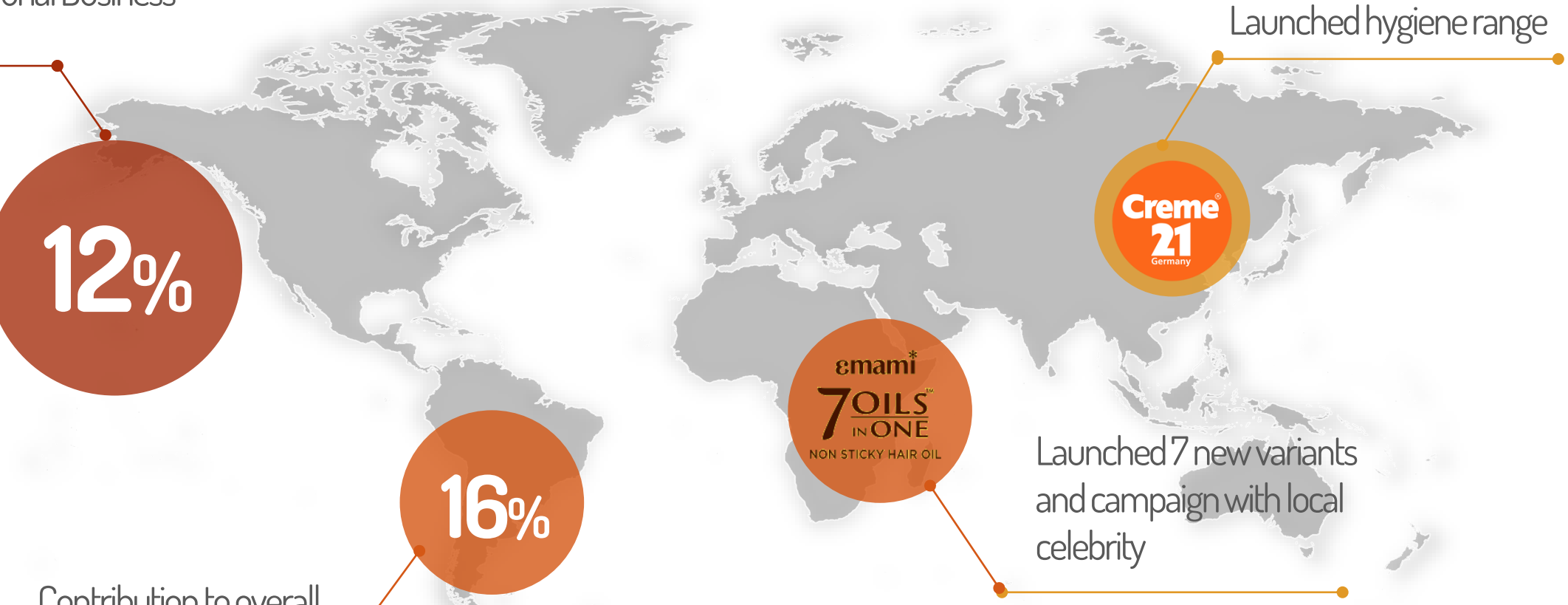
International Business

International Business Growth

12%

Contribution to overall Revenues

16%



Creme 21 extended to ASEAN; Launched hygiene range

Launched 7 new variants and campaign with local celebrity

Leveraging the celebrity appeal



FY21 Key Financials

Revenues	EBIDTA	PAT	Cash Profits*
₹ 2,881 cr	₹ 883 cr	₹ 455 cr	₹ 822 cr
+8%	+28%	+50%	+29%

*Cash Profit = PAT + Depreciation & Amortization

Profitability

Gross Margins	EBIDTA Margins	PAT Margins	Cash Profit Margins
67.7%	30.7%	15.8%	28.5%
+70bps	+470bps	+440bps	+440bps

Higher Cash reserves despite rewarding shareholders



Share Buyback

₹ 221 cr



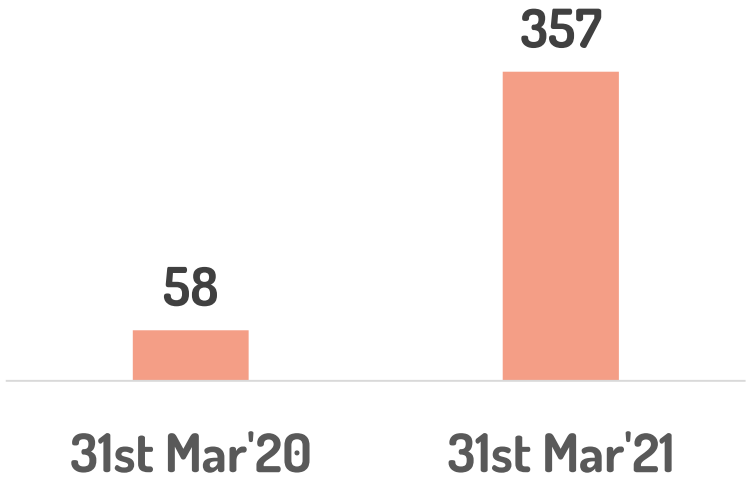
Interim Dividends

₹ 356 cr

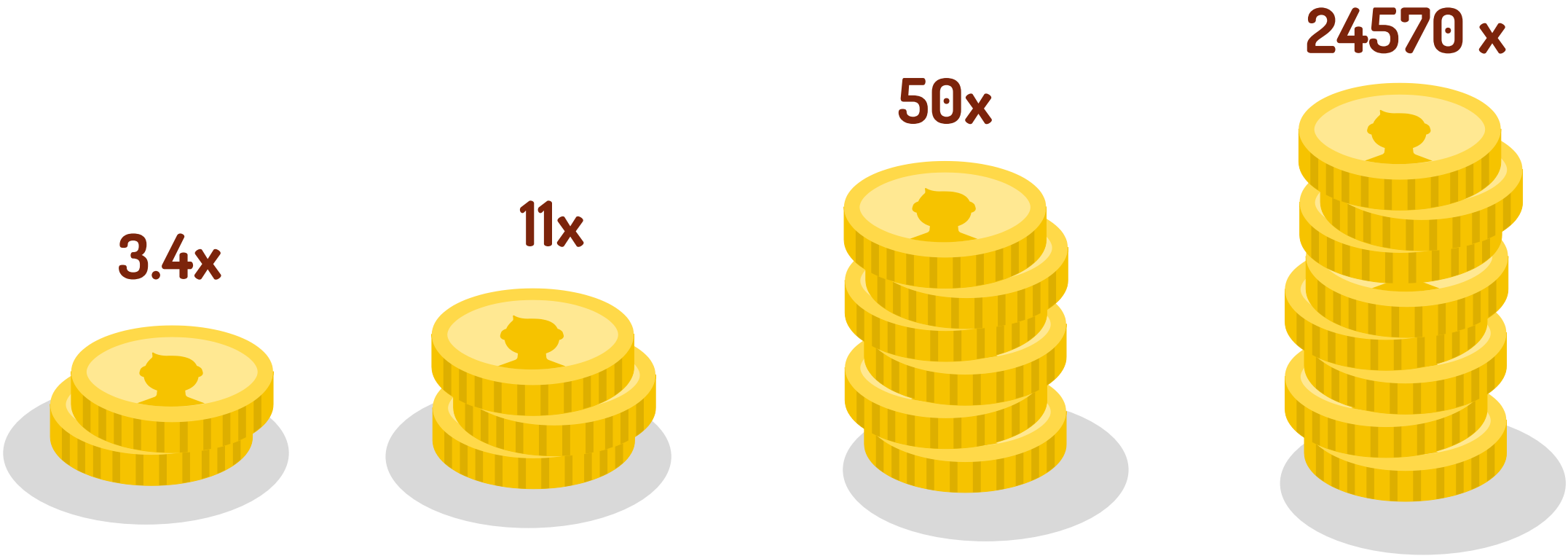


Net Cash on books

₹ in crore



Superior returns to Investors

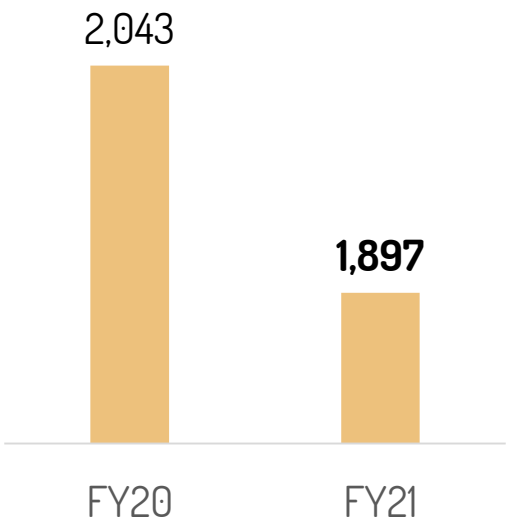


Since	QIP	Public Issue	Maiden Issue
Apr'20	2009	2005	1980

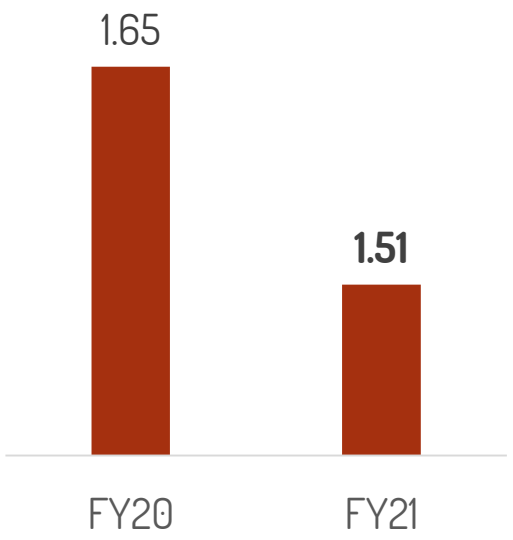
As on 24th September 2021

Sustainability Initiatives

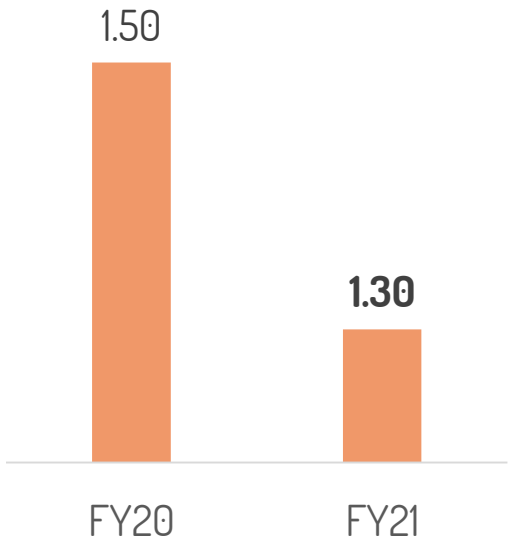
Energy Consumption vis-à-vis Production (MJ/ MT)



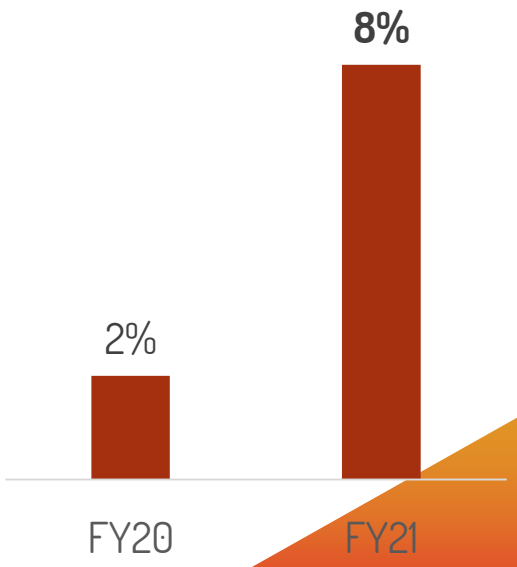
Water Consumption vis-à-vis Production (KL/MT)



Effluent Generation vis-à-vis Production (KL/MT)



Usage of Renewable energy (% to total energy consumed)



Sustainability in Packaging

Localised Packaging suppliers (contribution to total)

80%

Reduction in Consumption of Plastics

110 tons

Reduction in Consumption of Paper

145 tons

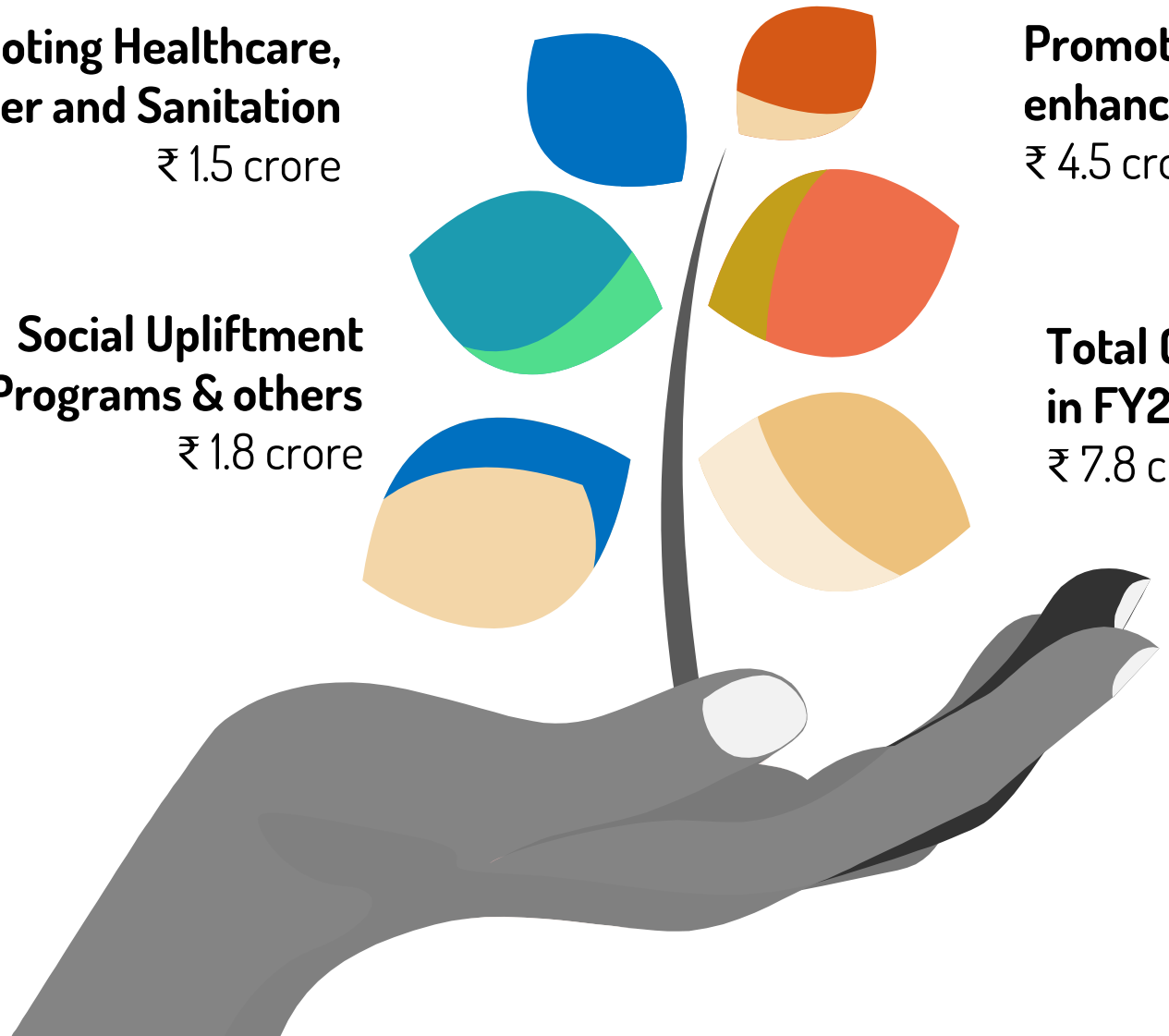
CSR Activities

Promoting Healthcare, Water and Sanitation
₹ 1.5 crore

Promoting Education and enhancement of Vocational skills
₹ 4.5 crore

Social Upliftment Programs & others
₹ 1.8 crore

Total CSR spends in FY21
₹ 7.8 crore



Restoration of Heritage

Before restoration



After restoration



48B Muktaram Babu Street, Kolkata from where the Emami founders started their journey

Q1FY22 Performance...despite 2nd Wave impact

Revenues	EBIDTA	PAT	Cash Profits*
₹ 661 cr	₹ 170 cr	₹ 78 cr	₹ 161 cr
+37%	+38%	+97%	+41%

*Cash Profit = PAT + Depreciation & Amortization

Strategic Investment

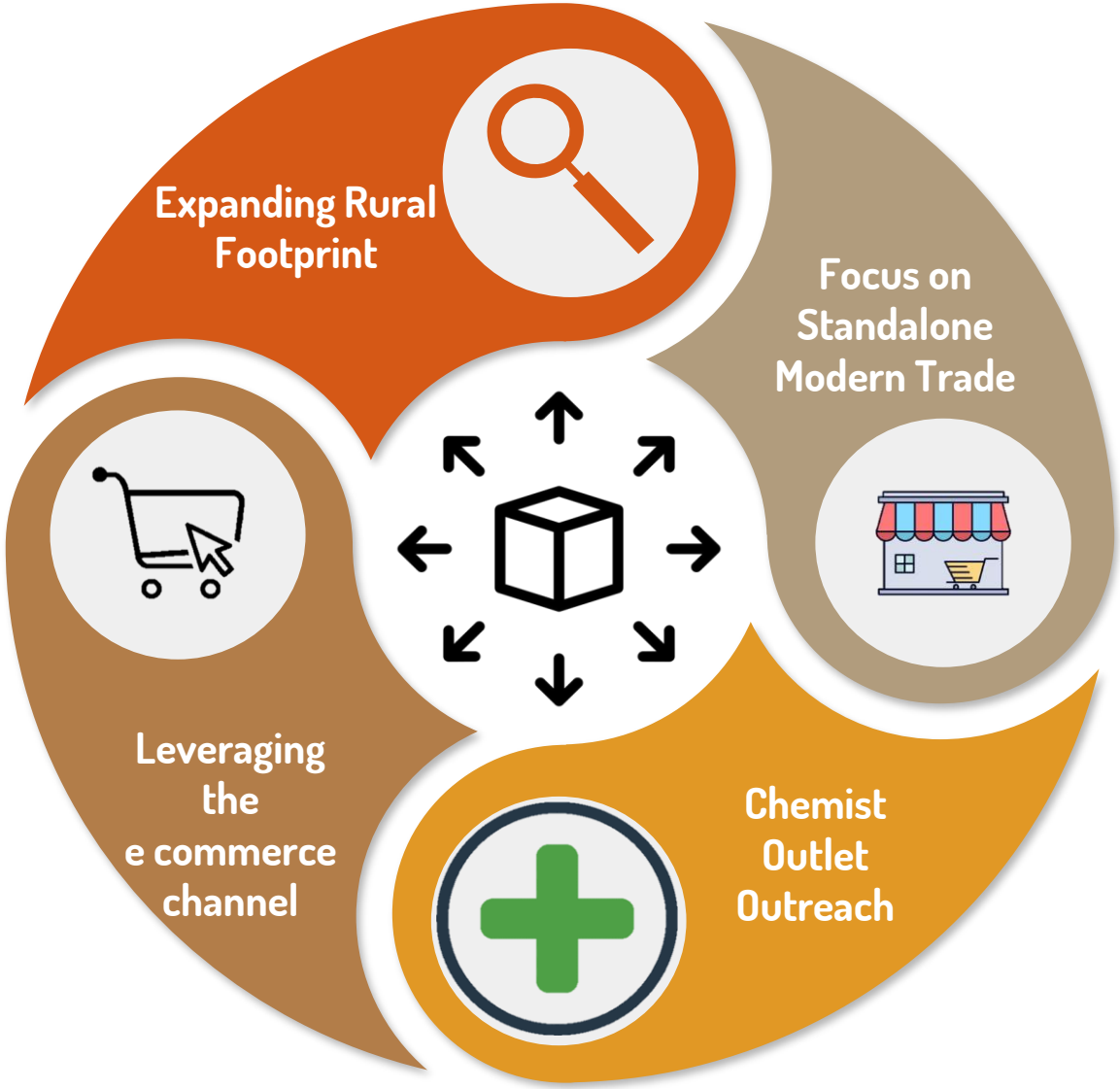


THE MAN COMPANY

Stake increased from

33.09% ➡ **45.96%**

Distribution Initiatives in FY22



Independent & Diverse Board



K. N. Memani
Ex-Country Head of
E&Y, India



Y.P. Trivedi
Eminent Tax expert
& Advocate



P.K. Khaitan
Advocate & Sr. Partner
Khaitan & Co



C.K. Dhanuka
Industrialist



S.B. Ganguly
Professional



A.K. Deb
Ex-Chief Secretary,
Govt. of West Bengal



Debabrata Sarkar
Banker

Grateful to all stakeholders







Thank You


Kesh King
BORO PLUS
ICE
Creme 21
FAIR AND HANDSOME
Navratna
MAXX COOL TALC
COOL TALC
EMASOL
20% EXTRA
ZANDU
Ortho Vedic Oil
DIAMOND SHINE
Pancharishta
Chyavanprashad
Nityam
ULTRA POWER Balm
Vasocare
Malai-Kesa
COLD CREAM
FAST RELIEF
SHILAJIT GOLD